

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF AMERICAN)	CASE NO.
ELECTRIC POWER COMPANY FROM)	2005-00240
NOVEMBER 1, 2004 TO APRIL 30, 2005)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on July 7, 2005, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of American Electric Power Company ("AEP") for the six months ended April 30, 2005.

As part of this review, AEP, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056 and, on August 22, 2005, filed supplemental information in response to a Commission Staff data request. A public hearing was held on September 22, 2005.

The Commission has previously established AEP's base fuel cost at 12.00 mills per kWh.¹ A review of AEP's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 12.93 mills in December 2004 to a high of 18.74 mills in November 2004, with a six-month average of 16.10 mills.

¹ Case No. 2002-00431, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of American Electric Power Company from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of AEP's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by AEP through its FAC for the period November 1, 2004 to April 30, 2005 are approved.

Done at Frankfort, Kentucky, this 1st day of November, 2005.

By the Commission

ATTEST:



Executive Director